IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PLAYBOY ENTERPRISES, INC., Plaintiff,	:	CIVIL ACTION
v.	:	
UNIVERSAL TEL-A-TALK, INC., ADULT DISCOUNT TOYS, and STANLEY HUBERMAN, Defendants.	:	NO. 96-6961

MEMORANDUM & ORDER

J.M. KELLY, J. **APRIL , 1999**

Presently before the Court is Defendants'[1] Motion for Reconsideration in the above captioned matter. A bench trial was held before the Honorable Joseph L. McGlynn, Jr. on October 8 and 9, 1998. Judge McGlynn issued a Memorandum of Decision on November 3, 1998 ("Memorandum"). Judge McGlynn found in favor of Plaintiff, Playboy Enterprises, Inc. ("Playboy"), and awarded $10,000.00 in statutory damages pursuant to 15 U.S.C. § 1117(c) (1994). Following the untimely death of Judge McGlynn, this case, including the present Motion, was transferred to my Docket.

Defendants, Universal Tel-A-Talk, Inc. (“Universal Tel-A-Talk”) and Stanley Huberman (“Huberman”) advance two arguments for reconsideration of the Memorandum: 1) Playboy's web site did

[1]While the Motion for Reconsideration is styled as “Defendants’” motion, the claims against Adult Discount Toys were dismissed by the court after trial. Consequently, the Court’s reference to Defendants shall include Universal Tel-A-Talk and Huberman.

not comply with 15 U.S.C. § 1111, therefore Playboy is not entitled to damages, and 2) the evidence does not support that Universal Tel-A-Talk violated 15 U.S.C. § 1116(d).

BACKGROUND

The facts were extensively set forth in the Memorandum and need not be more than briefly repeated here. Playboy publishes Playboy magazine, which has approximately 10 million readers each month. Playboy maintains several trademarks of the name "Playboy," including for a monthly magazine. Playboy also holds trademarks for a rabbit head design and the term "Bunny." In August 1994, Playboy started a web site at www.playboy.com. Playboy's web site included photographs and other contents from Playboy Magazine, as well as additional features and advertisements. Defendants operate a web site at www.adult-sex.com. As part of the operation of www.adult-sex.com from July of 1996 through October of 1996, there was an available subscription service known as "Playboy's Private Collection." Playboy's Private Collection was located at www.adult-sex.com/playboy/members. Visitors to Playboy's Private Collection could send e-mail to Playboy@adult-sex.com and could take a link to www.playboy.com. Visitors to Playboy's Private Collection could also view "hard core sexually explicit" pictures that are identified by the term "Bunny" on a navigational bar at the bottom of the page.

The only finding of fact questioned in the Motion for reconsideration is Finding of Fact No. 21, where the court found that Playboy maintains web sites at www.playboy.com and cyber.playboy.com. Upon reviewing the evidence, it appears that cyber.playboy.com was not in existence at the time that Defendants operated the www.adult-sex.com/playboy website. This factual error does not affect the Court's analysis of the Motion for Reconsideration.

DISCUSSION

I. Motion for Reconsideration

Generally, a motion for reconsideration will only be granted if: 1) there has been an intervening change in the controlling law; 2) new evidence has become available, which was not previously available; or 3) a clear error of law or a manifest injustice will occur absent reconsideration. Reich v. Compton, 834 F. Supp. 753, 755 (E.D. Pa. 1993). A motion for reconsideration based upon a supposed clear error of law or manifest injustice should not be based upon what is only a disagreement with the court, nor should it be used to present new arguments which could have been made prior to judgment. Id. Although Defendants have not set forth what basis they believe justifies reconsideration, it appears that they are arguing that a clear error of law or a manifest injustice took place.

II. Notice Requirement

Notice of registration of a trademark may be given by the owner of the mark. If the owner does not give notice of the mark, profits and damages in an action for infringement may be awarded only if the defendant had actual notice of the registration. 15 U.S.C. § 1111. It is undisputed that during the time when Playboy's Private Collection appeared on the www-adult-sex.com website, www.playboy.com did not contain notice of the registration of the Playboy mark. Playboy magazine, however, did display notice of the trademark's registration during the relevant time period and the relevant issues of Playboy magazine were admitted into evidence.

Defendants argue that the lack of a registration notice and the lack of any direct evidence of their knowledge of the Playboy trademark preclude an award of statutory damages under 15 U.S.C. § 1117(c). Statutory damages are available for the use of a counterfeit mark, if statutory damages are elected by the plaintiff. Id. A counterfeit mark is one where the mark:

> is registered on the principal register of the Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.

Id. § 1116(d)(1)(B)(I). The question then before the Court is whether counterfeiting, pursuant to § 1117(c), is an infringement action requiring notice or actual knowledge pursuant to § 1111.

Infringement is described in 15 U.S.C. § 1114 and includes counterfeiting as a form of infringement. Id. § 1114(1)(a). Upon reading the various sections as a whole, the Court can conclude only that Congress intended to construe counterfeiting as a subset of infringement, requiring no notice of the registration of the mark. Id. § 1116(d)(1)(B)(I). To read the remedy of § 1117(c) into the notice requirements of § 1111 would render § 1116(d)(1)(B)(I) superfluous and would be contrary to proper statutory construction. The Court is convinced that Congress intended to recognize that counterfeiting, while a subsection of infringement, represents a greater evil than ordinary infringement, and thus allowed an alternative route to damages and a lesser degree of required notice.

III. Did Defendants Counterfeit the Playboy Mark?

Defendants' challenge to the conclusion that they violated § 1116(d) is, without reference to cyber.playboy.com, based upon their disagreement with the factual finding that www.playboy.com was an internet version of Playboy magazine. In making this finding of fact, the Court was able to view depictions of www.playboy.com as it existed during the time period that Defendants operated Playboy's Private Collection. The July, August, September and October 1996 editions of Playboy magazine were also in evidence. Based upon the evidence presented, the Court was able to make a factual determination

that the web site was an internet version of the magazine. Defendants have presented no argument to sustain that this factual determination was a clear error of law or would lead to a manifest injustice in order to support their Motion for Reconsideration.

Defendants' reliance upon Jews for Jesus v. Brodsky, 993 F. Supp. 282 (D.N.J.) aff'd, 159 F.3d 1351 (1998), is curious. In Jews for Jesus, the court held that a trademark registration for religious pamphlets extended to a website where the same information is available. Id. at 299-301. While Defendants emphasized the distinctions between Playboy magazine and www.playboy.com, these distinctions demonstrate no more than a disagreement with the Court's characterization of www.playboy.com as an online version of Playboy magazine. Jews for Jesus supports the Court's initial decision. Consequently, these distinctions are insufficient to succeed on a Motion for Reconsideration.

CONCLUSION

Defendants have failed to demonstrate that, absent reconsideration of the Court's Memorandum of Decision of November 3, 1998, clear error or a manifest injustice will occur. Accordingly, Defendants Motion for Reconsideration shall be denied.

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PLAYBOY ENTERPRISES, INC.,	:	CIVIL ACTION
Plaintiff,	:	
	:	
v.	:	
	:	
UNIVERSAL TEL-A-TALK, INC.,	:	
ADULT DISCOUNT TOYS, and	:	
STANLEY HUBERMAN,	:	
Defendants.	:	NO. 96-6961

O R D E R

AND NOW, this 26th day of April, 1999, upon consideration of the Motion for Reconsideration of Defendants Universal Tel-A-Talk, Inc., and the Response thereto of Plaintiff, Playboy Enterprises, Inc., it is ORDERED that the Motion for Reconsideration is DENIED.

BY THE COURT:

JAMES McGIRR KELLY, J.